GRUMMAN DAILY EDITION
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FTC seeks to block LTV takeover

The Federal Trade Commission (FTC) has voted to block LTV's proposed acquisition of Grumman, according to an Oct. 27 report from the Dow Jones News Service.

The FTC is expected to file a complaint in federal court charging that the merger might reduce competition in the market for carrier aircraft. However, the papers will be filed only if the federal appeals court in Manhattan overturns Judge Jacob Mishler's October 14 temporary injunction.

In that injunction, LTV was prohibited from soliciting or purchasing any Grumman stock because of sufficient evidence of the possibility of antitrust and securities laws violations by LTV. Judges in the U.S. Court of Appeals for the Second Circuit in Manhattan will hear LTV's appeal of that ruling today.

Responding to the FTC's actions, LTV's chairman Paul Thayer said he takes "strong exceptions to the lawsuit," and that LTV will continue to seek to acquire Grumman.

On Friday, October 30, Judge Mishler will hear testimony and legal argument in a suit instigated by the Secretary of Labor. The suit charges that Grumman Pension Plan trustees breached their fiduciary responsibilities to plan members, violating the federal Employee Retirement Income Security Act (ERISA).

And in a related matter, the Securities and Exchange Commission (SEC) is conducting a private investigation to determine if Grumman's actions in defending itself from the LTV takeover attempt have been in full compliance with securities laws.

Court battles in the fight against the LTV takeover bid are not limited to the New York metropolitan area. On Friday, Oct. 23, LTV requested a temporary restraining order and preliminary injunction from the U.S. District Court in Columbus, Ohio. LTV is asking the federal court to nullify the Ohio Commissioner of Securities' order that LTV cease and desist from soliciting shares of Grumman stock in Ohio.

And in Dallas, LTV has said that a U.S. District Court will hear arguments on Thursday on its charges that Grumman made material omissions and misrepresentations in public statements on LTV's tender offer for Grumman stock.

The court in Dallas will also hear LTV's charges that recent purchases of Grumman stock by the company and its pension plan violated securities laws.

Right on! -- *Grummanites who spotted yesterday's* New York Post *may have thought that the Manhattan tabloid had finally gotten the message. But alas, it was only a reference to the Yankees' fighting owner. Plane News thanks the Plant 3 Grummanites who went along with our gag photo.*

October 27, 1981 — Grumman shares closed at 29 1/8 today, down 2 3/8; approximately 108,200 Grumman shares were traded.

He begs to differ

Grummanites by the thousands across the country have been writing their elected representatives about the takeover attempt. Here, however, is what Sandy Jones, Grumman Corporation vice president–Public Affairs, wrote to someone representing a different constituency: Julian Scheer of LTV.

Scheer, LTV senior vice president–Corporate Affairs, was quoted in the *Dallas Morning News* on October 19 as saying: "I think they (Grumman management) have a very loyal group of employees, but they're being whipped into a frenzy by the use of misinformation. They've been lied to."

In response Jones wrote:

"Dear Julian,

"After Mr. Thayer's advertised 'no mudslinging' protestations, your statement about Grumman management in the October 19 issue of the Dallas Morning News was astonishing.

"It is, as I believe you know, completely untrue.

"I can understand that the spirited rejection of LTV's proposition by Grumman people must sting, but LTV has been rejected before. I should think you would have learned to react with better grace."

Retirees' reunion underscores their unity

Since 1969, Grumman retirees who have settled in the Sunshine State have gathered at Stuart Operations once a year for a weekend reunion. Talk usually centers on the good old days, but at this past weekend's reunion, the present situation with LTV took top billing.

"LTV would have to kill me to get my shares," said Mahlon Ketcham of Port St. Lucie. "All LTV wants to do is butter up their side of the aerospace business. They used to be a big aircraft manufacturer and they're slipping. I don't want to see Grumman slip too. We've done just fine being independent."

Added Grumman retiree Helen Ebbets, also of Port St. Lucie, "It scares me that one day you can be going about your business and the next day, some big conglomerate points its finger at you and says 'I'm going to buy you out.'

"What LTV didn't realize when it got into this fight was the Grumman spirit. If all of us stick together, I think we can win," said Ebbets.

Grumman Retiree Club President George Petrilak admitted that there has been a lot of concern among the retirees about the LTV takeover attempt. "I even had one fellow from California call me at home on Long Island to ask 'What can I do?'," said Petrilak, who represents the parent organization. "I told him the same thing I've been telling the others--'Hold onto your Grumman shares."

Petrilak reported that while his colleagues are concerned about their pension should LTV succeed, "there is just as much concern about keeping the Grumman family independent."

"A lot of us have children and grandchildren working at Grumman today," said Jerry Presepio. "Grumman has been doing just fine for over 50 years without anyone else pulling the strings--and it will do just as well in the next 50 years."

Number of signatures up; one suit discontinued

Over 15,000 signatures have been collected on petitions backing the actions of the trustees of the Grumman Pension Plan, and more are expected from off-Long Island sites.

The petitions will be presented to Federal Judge Jacob Mishler on Friday when he hears the suit brought by the Department of Labor.

In a related development, the suit brought by former Grumman employee Anthony Scibelli has beeen discontinued. His suit against the trustees was also scheduled to be heard on Friday by Judge Mishler.

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Published to keep you informed about the unsolicited takeover attempt.

Questions or comments? Contact us.

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